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Counsel for the Official Committee Of
Equity Security Holders Of USA Capital First Trust Deed Fund, LLC

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
USA COMMERCIAL MORTGAGE COMPANY,
Debtor.

BK-S-06-10725-LBR
Chapter 11

In re:
USA CAPITAL REALTY ADVISORS, LLC,
Debtor.

BK-S-06-10726-LBR
Chapter 11

In re:
USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
Debtor.

BK-S-06-10727-LBR
Chapter 11

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC,
Debtor.

BK-S-06-10728-LBR
Chapter 11

In re:
USA SECURITIES, LLC,
Debtor.

BK-S-06-10729-LBR
Chapter 11

Affects

- ☐ All Debtors
☐ USA Commercial Mortgage Co.
☒ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed
☒ USA First Trust Deed Fund, LLC

**DATE: June 15, 2007
TIME: 9:30 A.M.**

**STIPULATION FOR WITHDRAWAL OF PROOFS OF CLAIM NUMBERS 123, 124
AND 125 FILED RESPECTIVELY BY KANTOR NEPHROLOGY CONSULTANTS,
LTD 401(K) PSP; DR. GARY KANTOR; AND LYNN M. KANTOR
(AFFECTS DEBTORS USA CAPITAL FIRST TRUST DEED FUND, LLC)**

The Official Committee of Equity Security Holders of USA Capital First Trust
Deed Fund, LLC ("FTDF Committee"), hereby stipulates with Kantor Nephrology Consultants,

1 Ltd. 401(k) PSP, Dr. Gary Kantor, and Lynn M. Kantor (collectively, the "Claimants") as
2 follows:

3 A. On April 13, 2006, USA Capital First Trust Deed Fund, LLC (the
4 "FTDF"), along with the four above-captioned debtors, filed voluntary petitions for relief under
5 title 11 of Chapter of the United States Code.

6 B. On November 13, 2006, Kantor Nephrology Consultants, Ltd. 401(k) PSP
7 filed claim number 123 in the FTDF case, Dr. Gary Kantor filed claim number 124 in the FTDF
8 case and Lynn M. Kantor filed claim number 125 in the FTDF case (collectively, the "Kantor
9 FTDF Claims"). The Kantor FTDF Claims were filed as unliquidated, general unsecured claims
10 in the FTDF bankruptcy case.

11 C. The Claimants have also filed additional proofs of claim (the "Additional
12 Kantor Claims") against USA Commercial Mortgage Company, USA Securities, LLC and USA
13 Capital Realty Advisors, LLC (collectively, the "Non-FTDF Debtors"), in the Non-FTDF
14 Debtors' bankruptcy cases. Additionally, the Claimants assert that one or more of the Claimants
15 hold equity interests in and have filed proofs of interest in the USA Capital Diversified Fund,
16 LLC ("DTDF") bankruptcy case (the "Kantor DTDF Interests"). Lynn Kantor also owns an
17 interest in FTDF (the "Lynn Kantor IRA FTDF Interest") through an individual retirement
18 account.

19 D. On December 27, 2006, the FTDF Committee filed its "Omnibus
20 Objection of the Official Committee of Equity Security Holders of USA Capital First Trust Deed
21 Fund, LLC to Claims Superseded by Compromise Contained in Debtors' Third Amended Joint
22 Chapter 11 Plan of Reorganization (As Modified)," which included objections to the Kantor
23 FTDF Claims (the "Kantor FTDF Claims Objection"). The Kantor FTDF Claims Objection was
24 set for hearing on January 31, 2007, and was continued several times to May 9, 2007.

25 E. The Claimants filed a Response to the Kantor FTDF Claims Objection on
26 February 20, 2007, and the FTDF Committee filed its Reply on March 7, 2007. The Bankruptcy
27 Court permitted the Claimants to file a Sur-Reply, which was filed on March 29, 2007.

28 F. The Bankruptcy Court held a hearing on the Kantor FTDF Claims

1 Objection on May 9, 2007. At the May 9, 2007 hearing, the Bankruptcy Court granted the
2 Claimants until May 29, 2007 to amend the Kantor FTDF Claims. The Bankruptcy Court also
3 set June 6, 2007 as the deadline for the FTDF Committee to file any applicable supplemental
4 pleadings to dismiss or otherwise disallow the Kantor FTDF Claims, including any amendments
5 thereto, and June 13, 2007 as the deadline for the Claimants to file their response to such
6 pleadings (the "Supplemental Pleadings"). The Bankruptcy Court scheduled a continued hearing
7 on the Kantor FTDF Claims Objection and the Supplemental Pleadings for June 15, 2007 at 9:30
8 a.m.

9 G. On February 2, 2007, the FTDF Committee filed its "Motion by the
10 Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC to
11 Estimate an Adequate Reserve for Unliquidated and Disputed Claims in Order to Permit Further
12 Distributions to FTDF Members" (the "Reserve Motion").

13 H. On February 14, 2007, as a temporary resolution of the Reserve Motion,
14 the Claimants and the FTDF Committee stipulated to a reserve of \$1.00 for the Kantor FTDF
15 Claims so long as no proceeds of the sale to Compass Partners LLC (the "Compass Sale") were
16 distributed to FTDF Members. The Bankruptcy Court entered its order approving this initial
17 reserve stipulation between the Claimants and the FTDF Committee on 15, 2007.

18 I. On May 3, 2007, the Bankruptcy Court entered its order approving a
19 further reserve stipulation between the FTDF Committee and the Claimants providing for an
20 interim reserve of \$6 million so that the majority of the proceeds of the Compass Sale could be
21 distributed to the FTDF members (the "Interim Reserve Stipulation"). The reserve provided for
22 in the Interim Reserve Stipulation was subject to the Bankruptcy Court ruling on the Kantor
23 Claims Objection at the May 9, 2007 hearing.

24 J. At the May 9, 2007 hearing, the Court continued the hearing on the
25 Reserve Motion to June 15, 2007 at 9:30 a.m. and provided that the Interim Reserve Stipulation
26 would control until the Court ruled at the June 15, 2007 hearing.

27 K. The Claimants have elected to withdraw the Kantor FTDF Claims. Upon
28 the withdrawal of the Kantor FTDF Claims, the Reserve Motion and the Interim Reserve

1 Stipulation will be moot.

2 **NOW, THEREFORE**, the Parties hereby agree as follows:

3 1. The Kantor FTDF Claims, and only the Kantor FTDF Claims, are hereby
4 withdrawn from the FTDF bankruptcy case. Claimants' withdrawal of the Kantor FTDF Claims
5 shall in no way impact upon or prejudice any of the Additional Kantor Claims filed against any
6 of the Non-FTDF Debtors in their respective bankruptcy cases or the Kantor DTDF Interests or
7 the Lynn Kantor IRA FTDF Interest, all of which claims and interests are specifically reserved.
8 The Claimants covenant and agree not to seek to re-file the Kantor FTDF Claims, or any claims
9 based on the same facts and circumstances as the Kantor FTDF Claims, in the FTDF bankruptcy
10 case.

11 2. The deadlines to amend the Kantor FTDF Claims (May 29, 2007), and to
12 file the Supplemental Pleadings (June 6, 2007 and June 13, 2007) are hereby vacated.

13 3. The hearing on the Kantor Claims Objections and the Supplemental
14 Pleadings set for June 15, 2007 at 9:30 a.m. is hereby vacated.

15 4. The Reserve Motion and the Interim Reserve Stipulation are now moot.

16 5. The hearing on the Reserve Motion and the Interim Reserve Stipulation
17 set for June 15, 2007 at 9:30 a.m. is hereby vacated.

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19 Dated this 30th of May, 2007

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STUTMAN, TREISTER & GLATT, P.C. and
SHEA & CARLYON, LTD.

21

22

By: /s/ Eve H. Karasik

23

EVE H. KARASIK
CANDACE C. CARLYON
ANDREW M. PARLEN

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*Counsel for the Official Committee of Equity
Security Holders of USA Capital First Trust
Deed Fund, LLC*

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28

1
2 Dated this 30th of May 2007

3 McGUIREWOODS LLP

4
5 By: /s/ Michael M. Schmahl

6 MICHAEL M. SCHMAHL

7 *Counsel for the Kantor Claimants*

8
9 Approved:

10 RAY QUINNEY & NEBEKER P.C. and
11 SCHWARTZER & MCPHERSON LAW FIRM

12 By: /s/ Steven C. Strong

13 ANNETTE W. JARVIS

14 STEVEN C. STRONG

15 LENARD E. SCHWARTZER

16 JEANETTE E. MCPHERSON

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18 *Counsel for USA Capital First Trust Deed*
19 *Fund, LLC*
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